

Message Text

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PAGE 01 KINSHA 03763 071032Z

21

ACTION AF-06

INFO OCT-01 ISO-00 EB-07 INR-07 /021 W

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R 070944Z MAY 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 2410

LIMITED OFFICIAL USE KINSHASA 3763

STADIS //////////////////////////////////////

FOR AF/C AND PASS AMBASSADOR HINTON

E.O. 11652: N/A

TAGS: CG, EFIN

SUBJECT: MIDEMA

1. CONTINENTAL GRAIN OFFICIALS JURGEN, STSYERMACH AND LEVYNS ARRIVED LAST WEEKEND TO VISIT MIDEMA AND GET FIRSTHAND LOOK AT GENERAL OPERATION OF MILL AND AT DIFFICULTIES CAUSED BY FOREIGN EXCHANGE CRISIS. JURGEN CONFIRMED THAT MIDEMA OWES CONTINENTAL \$7 MILLION ON INTER-COMPANY ACCOUNT FOR PAST SHIPMENTS AND THAT CONTINENTAL IS WILLING TO CARRY THIS AMOUNT AS LONG SAS GOZ MAKES FOREIGN EXCHANGE AVAILABLE, IN ADVANCE, FOR FUTURE SHIPMENTS. CASH AND CARRY SYSTEM WORKING WELL AND CONTINENTAL HAS FOREIGN EXCHANGE TO COVER SHIPMENTS THROUGH EARLY JULY.

2. JURGEN ALSO CONFIRMED THAT AGRICULTURE HAD APPROVED CONTINENTAL'S REQUEST FOR \$2 MILLION CCC CREDITS, BUT SAID THAT CONTINENTAL HAD YET TO USE THE CREDITS. INDEED, ACCORDING TO JURGEN, TO DO SO WOULD INCREASE THE \$7 MILLION OUTSTANDING ON INTER-COMPANY ACCOUNT TO \$9 MILLION AND WOULD RISK JEOPARDIZING CASH FOREIGN EXCHANGE ARRANGEMENTS SINCE GOZ WOULD SEE NO NEED TO PUT OUT CASH UNTIL FIRST PAYMENTS FELL DUE. JURGEN ALSO SAID THAT HE WOULD BE MORE FAVORABLY INCLINED TOWARD

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CCC CREDIT IF GOZ WOULD BE WILLING REDUCE \$7 MILLIONJ

OUTSTANDING TO \$5 MILLION BY MAKING CASH PAYMENT ON
BACK DEBTS, BUT THAT HE HAD NO INTENTION OF RAISING
THIS IDEA WITH GOZ AT THIS TIME.

3. AGRICULTURAL ATTACHE INFORMS USE THAT TABAZAIRE
IS MAKING APPLICATION FOR \$1 MILLION CCC CREDIT.

4. COMMENT: WE AGREED WITH JURGEN THAT NO HARM WAS
DONE BY CONTINENTAL'S HESITATING TO DRAW CCC CREDIT
IMMEDIATELY, AND ASKED HIM TO CONTACT AMBASSADOR
HINTON AND/OR AF/C UPON HIS RETURN TO NEW
YORK MAY 15
FOR FURTHER EXCHANGE OF VIEWS AMBASSADOR HINTON MAY
ALSO BE INTERESTED THAT AGRICULTURAL ATTACHE HAS LEARNED
THAT TABAZAIRE IS MAKING APPLICATION FOR \$1 MILLION
CCC CREDIT.
NEWLIN

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Margaret P. Grafeld
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